

MINUTES

1. Call to Order

Mayor Nabours called the Budget Retreat of April 26, 2016, to order at 8:02 a.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. Pledge of Allegiance

The audience and City Council recited the Pledge of Allegiance.

3. Roll Call

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

PRESENT:

MAYOR NABOURS
VICE MAYOR BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER EVANS
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA (arrived at 8:43 a.m.)

ABSENT:

NONE

Others present: City Manager Josh Copley and Interim City Attorney Sterling Solomon.

4. City Council FY17 Budget Hearing

City Manager Josh Copley said that their intent as staff was to answer any questions and clarify understandings so that when they culminate the two days staff has a clear understanding of Council's expectations. He then began a PowerPoint presentation which addressed:

WHERE DO WE WANT TO GO?

Council Goals
FY17 Council Budget Priorities
EAC and Leadership Priorities
Approach for FY17 Budget Hearings

Deputy City Manager Barbara Goodrich then continued the PowerPoint presentation:

FEEDBACK FROM FEBRUARY BUDGET

Revenue Discussion
February Retreat

Management Services Director Rick Tadder then addressed:

WHERE ARE WE NOW?
BUDGET REQUESTS
POST DIVISION REVIEWS
REVENUE UPDATE

GOOD NEWS

Councilmember Putzova arrived at this time (8:43 a.m.).

BUDGET REVIEW
FUNDING AVAILABLE

Councilmember Evans left the meeting at this time (8:50 a.m.)

Deputy City Manager Shane Dille then continued the presentation:

REVIEW FRAMEWORK FOR "HOW WE GET THERE"

Councilmember Evans returned at this time (9:04 a.m.)

Discussion was held on the process used by the public for submitting requests.

COUNCIL GOALS

Information Technology Director Ladd Vagen then continued the presentation:

SUCCESS STORY - Information Technology

A break was held from 9:28 a.m. to 9:49 a.m.

Interim City Attorney Sterling Solomon continued the presentation:

SUCCESS STORY - Legal Advisor to Policy Department

Human Resources Manager Shannon Anderson continued the presentation, addressing:

GOAL: Invest in our Employees and implement retention and attraction strategies.

Police Chief Kevin Treadway and Fire Chief Mark Gaillard also shared successes within their respective departments.

PARKING LOT: Dispatch A/R, Paramedic Pay, Snow Removal Stipend, Patrol/Fire Overtime

Public Works Director Andy Bertelsen continued the presentation:

GOAL: Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics

Court Administrator Don Jacobson continued the presentation, addressing:

FLAGSTAFF MUNICIPAL COURT - NEW INVESTMENTS (RSL)
Criminal Justice Integration Program

Community Development Director Mark Landsiedel reviewed:

COMMUNITY DEVELOPMENT - BUILDING INSPECTOR - (RSL)

IT Manager - Applications Wayne Andersen continued the presentation:

INFORMATION TECHNOLOGY NEW INVESTMENTS (RSL)
ESRI (GIS) Enterprise Agreement (EA)

IT Manager C.J. Perry continued the presentation:

INFORMATION TECHNOLOGY BASE BUDGET INVESTMENT
Conversion of the Microsoft Enterprise Agreement (EA) to Microsoft Office 365

Economic Vitality Director Heidi Hansen then came forward to introduce Mark Cesare with the Public Library. Mr. Cesare reviewed the RFID equipment and the Library Master Plan. Library Director Heidi Holland added that they have been saving for the past four to five years for the RFID equipment, which has been on their "to do" list for the past ten years.

Mr. Tadder then continued the presentation, discussing the proposed Contract Specialist. He said that this has been scattered throughout the City, and although some of it has been put into Laserfiche, it has been decentralized, and they are hoping to gain some efficiencies.

Brief discussion was held on snow/sweeping being funded with one-time rather than ongoing.

Mr. Tadder then continued with:

ADDITIONAL FUNDING OPPORTUNITIES

PARKING LOT: Contract Specialist

A lunch break was held from 11:57 a.m. to 12:43 p.m.

Goal: Improve the economic quality of life for Flagstaff through economic diversification, and by fostering jobs and programs that grow wages and revenues.

Convention and Visitors Bureau (CVB) Director Trace Ward answered questions on the request for a G-scale model train that would be housed at the Visitors' Center.

Brief discussion was held on potential funding opportunities related to economic development.

PARKING LOT: STEM, America-Mexico Commission membership, and Dew Downtown

Goal: Support and assist the most vulnerable

Staff reviewed the current contracts with outside agencies that provides services on behalf of the City. Ms. Darr addressed questions raised regarding the use of a facility for after school care.

Goal: Provide a well-managed transportation system

FMPO Manager Dave Wessel said that they are currently updating the Regional Transportation Plan. After some discussion, Bret Petersen came forward to provide information on the Sunnyside project and related phases.

A break was held between 2:13 p.m. and 2:30 p.m.

Community Development Director Mark Landsiedel continued the presentation, addressing:

SUCCESS STORY: Materials Testing

Utilities Director Brad Hill then came forward to address:

Goal: Ensure Flagstaff has a long-term water supply for current and future needs

Discussion was held on the Water Conservation Program. Mr. Hill said that they are taking the use of this money to the Water Commission for input, and then it will come back to Council for further discussion and direction.

Goal: Develop and implement guiding principles that address public safety service levels through appropriate staffing levels.

Police Chief Treadway continued the presentation by discussing his department's overtime needs and giving a history on the subject. He discussed the proposed additional animal control office requested in the budget. Discussion was also held on the public safety personnel retirement system.

Goal: Explore and adopt policies to lower the costs associated with housing to the end user.

Mr. Landsiedel said that as they were going through the water rate analysis there was discussion about the cost of water on housing. The issue of user fee updates is currently coming up through Management Services which address related costs in community development. He noted that they would be holding their Housing Roundtable on May 24 and staff will be bringing forward some information to be considered.

Goal: Improve effectiveness of notification, communication, and engagement with residents, neighborhoods and businesses about City services, programs, policies, projects and developments.

Communications Manager Kim Ott reviewed items requested in the budget for the coming year, and then introduced Joann Keene, Chief of Staff for NAU, who talked about their proposed Community Liaison position which would be a two-year position funded with one-time money. She said that the costs would be split between NAU and the City, and NAU would cover the benefits.

City Clerk Elizabeth Burke then reviewed the benefits of AgendaQuick software which is funded through

Administration's base budget.

Comprehensive Planning Manager Sara Dechter briefly reviewed the Flagstaff Community Forum and the benefits received with its ability to engage citizens.

Assistant to the City Manager Stephanie Smith then reviewed what she had taken for Requests for Additional Information:

- Detail on BBB Beautification Program
- Develop standardized process for future funding requests from the community that are outside existing contracts for specific services
- How many people are in the 2% category for market pay strategy?
- How many employees are part-time status without benefits?
- Better understanding of overtime needs in Fire and Police
- Current amounts for overtime in Fire and Police
- Are assignment and add pays included in market structure?
- Better understanding of contract specialist position and building inspector position
- Train examples
- Dew Downtown Funding - back to Commission?
- CCR on all BBB expenses
- Options for funding Dew - in-kind and direct
- Total operation costs for FACTS
- Sunnyside - complete all phases in addition to 5D
- RFP for Flagstaff Arts Council
- Discussion about who administers water conservation programming
- Confirm uniform allowance for Fire and Police and compare to pre-recession
- Resend CCR's on convenience fee and wildland crew, as previously requested
- What is the policy direction for conservation programming and what are they looking to accomplish?
- How many FET's would they be adding per the City Manager's Recommended Budget?

SUMMARY OF THE PARKING LOT:

- Southside Neighborhood Plan
- Boys and Girls Club
- FACTS
- NACASA
- Library Sunday Hours
- Humane Society
- STEM
- Arizona-Mexico Commission
- Paramedic Pay
- Dispatch A&R
- Snow Stipend
- Dew Downtown
- Siler Homes After School
- Investment for part-time, non-benefited eligible employees
- Street sweeping
- Snow operations
- Contract specialist
- Building Inspector
- Streaming services to ongoing
- Fire and Police Overtime

The Budget Retreat of April 26, 2016, recessed at 4:05 p.m. and reconvened on April 27, 2016, at 8:00 a.m. with all Council members present.

Vice Mayor Barotz said that one thing they did not talk about was related to the bill currently moving through the Legislature regarding guns in public buildings. She asked what it would cost to buy the metal detectors if that bill should pass. Mr. Copley said that he would ask staff to look into that and provide them with the related figures.

Mr. Copley said that there were a few other items that came forward after yesterday. One item was to fund a new project manager in utilities, to deal with increases in plan review and review activities. It was \$92,000 to be funded out of the utility/stormwater funds. It was not included on the slide, but was advanced by the budget team.

Additionally, in the Fire Department base budget, investment, they have a regional hazard zone safety management and control grant to standardize incident management over the region.

Mr. Hill explained that with the Upper Lake Mary Watershed Monitoring Project, this will allow them to understand the

response today and then once the thinning occurs. Council already decided to purchase the capital costs; this is the maintenance and gauges.

In response to a question raised, Mr. Bertelsen said that they could look into moving the Hazardous Products Center (HPC) closer to town. Currently, they are looking at the entire facility and how to better run it.

CIP Project Manager Bret Petersen then came forward and reviewed the City's CIP Program.

Patrick Brown with Procurement then gave a brief review of the Job Order Contracting (JOC) Update.

Councilmember Putzova left the meeting at this time (9:24 a.m.)

A break was taken from 9:42 a.m. to 10:02 a.m.

Discussion then focused on the Parking Lot and related items. Staff addressed questions and requests for additional information posted yesterday.

Councilmember Brewster left the meeting at this time (11:52 a.m.)

A lunch break was take from 12:00 p.m. to 12:53 p.m.

Housing Director Sarah Darr then reviewed the Success Story of the down payment and closing costs assistance that has been provided to police officers to help with retention. Chief Treadway added that it has been a big success.

Further information was provided on the Dew Downtown and discussion continued on whether to continue this event.

Dave Engelthaler with TGen came forward and addressed some of the STEM-related items.

Sylvia John, Director of Education for the Flagstaff Unified School District came forward and provided further information regarding the FACTS after-school program.

Council then further discussed the Building Inspector position and the contract specialist, with staff providing more information.

Mr. Copley said that they went through a two-week budget process, which culminated in the City Manager's Budget. The budget team said no to more requests than yes, and there were none of the items in the Revised Service Level (RSLs) that were frivolous. All of the divisions did a good job coming forward with their requests.

Discussion was held on what could be done if they were to provide Economic Vitality with an additional \$100,000. Ms. Hansen replied that they could not answer that today specifically, but there are many things they could look at.

A break was taken from 2:37 p.m. to 2:57 p.m.

At this point, Council began a process of selecting support for the various additional items, and what would be funded with one-time vs. ongoing remaining funds. The final selection is reflected in Exhibit A, attached hereto and made a part hereof.

5. Adjournment

The Retreat of the Flagstaff City Council held April 26-27, 2016, adjourned at 4:25 p.m.

MAYOR

ATTEST:

CITY CLERK